

U S WEST, Inc.
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Robert B. McKenna
Associate General Counsel

March 8, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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USWEST

FOR PUBLIC INSPECTION -- REDACTED VERSION

RE: CC Docket Nos. 96-45 and 97-160 -- Documents Submitted under
Protective Order

Dear Ms. Roman Salas:

In September 1997, U S WEST Communications, Inc. (U S WEST) submitted a copy of a contract between U S WEST and DSC Communications, Inc. (DSC), Number RPHCR45184, dated January 1, 1994, to the Federal Communications Commission (Commission) for study and use in the above captioned dockets. This contract is highly confidential, and contains information which would, if publicly released or obtained by the competitors of either U S WEST or DSC, cause them competitive harm and give an unwarranted competitive advantage to their competitors. Accordingly, the contract was submitted with a request for total confidentiality, a copy of which is attached hereto (identified as Designation of Confidential Information).

The Commission has requested that this contract, rather than being held in confidence as stated when the contract was filed, instead be treated in the manner set forth in the Commission's July 27, 1998 Protective Order in the above captioned dockets, DA 98-1490 (13 FCC Rcd. 13910 (1998)). This is to inform you that U S WEST has no objection to changing the restricted status of this contract and making it subject to the terms of the Protective Order. As requested, we are resubmitting the contract at this time under separate cover and marked as "Not For Public Inspection -- Confidential Information -- Nonredacted Version".

Ms. Magalie Roman Salas
March 8, 1999
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Please call me with questions and thank you for your assistance with this matter. An original and four copies of this letter is provided, to be made part of the record for the above-referenced proceedings, along with an extra copy of this letter for date stamping as received.

Sincerely,



Robert B. McKenna

Attachment

cc: Katie King, Sumita Mukhoty

CC Docket No. 96-45
DA 97-1433

U S WEST Communications, Inc.
Response to Data Request
Data Request No. 13
August 15, 1997

DESIGNATION OF CONFIDENTIAL INFORMATION

I hereby certify that the contracts designated in Attachment A hereto as confidential in response to the Universal Service Data Request No. 13 are protected by U S WEST Communications, Inc. and the named equipment vendor as confidential or financial information.

SIGNATURE:



NAME:

Dan F. Nielsen

TITLE:

Manager - Technical, Regulatory, & Financial Initiatives

ADDRESS:

U S WEST Communications, Inc.
Suite 700
1020 19th Street, N.W.
Washington, D.C. 20036

TELEPHONE:

(202) 429-3133

FAX:

(202) 293-0561

ATTACHMENT A

Data Request No. 21:

Contracts with digital line carrier manufacturers. For every digital line carrier manufacturer with which you currently have a contract:

- (a) Provide a copy of that contract. Indicate if you consider the contract proprietary, and follow the instructions in para. 8 for filing confidential information.
- (b) What time period does the contract cover?

Request for Designation of Confidential Information:

Pursuant to the Freedom of Information Act, 5 U.S.C. §552(b)(4), and the Commission's rules, Section 0.457 and 0.459, C.F.R. §0.0457 and 0.0459, U S WEST Communications, Inc. requests: (1) that the contract described below be treated as confidential commercial information, and (2) that the Commission not make the contract described below available for public inspection.

Request for Designation of Confidential Information:

Pursuant to the Freedom of Information Act, 5 U.S.C. § 552(b)(4), and the Commission's rules, Section 0.457 and 0.459, 47 C.F.R. § 0.0457 and 0.459, U S WEST Communications, Inc. requests: (1) that the response to Data Request No. 21 be treated as confidential, and (2) that the response to Data Request No. 21 not be made available for public inspection.

Contract No. RPHCR45184

Dated January 1, 1994 between DSC Marketing Services, Inc. and the U S WEST Companies identified therein.

As amended by Amendment No. 1 dated February 11, 1994; Amendment No. 2 dated April 1, 1994; Amendment No. 3 dated November 1, 1995; and Amendment No. 4 dated July 1, 1996.

Basis for the Designation:

The contract with the manufacturer identified above is regarded as confidential by both U S WEST Communications, Inc. ("U S WEST Communications") and by the manufacturer.

U S WEST Communications negotiated aggressively with this digital line carrier manufacturer to obtain the best pricing, terms and conditions for these basic building blocks of the public switched network. This information and data is not publicly available.

As a result of negotiations resulting in this contract, U S WEST Communications believes that it has been able to purchase digital line carriers from this manufacturer at excellent rates and with very favorable terms and conditions. If these contracts, or any of the prices, terms, or conditions were made available to other Regional Holding Companies or other incumbent local exchange carriers ("ILECs"), the considerable expense and effort invested by U S WEST Communications in negotiating these contracts would be diluted. Other Regional Holding Companies and large ILECs are potential competitors of U S WEST Communications in the local wireline market and, knowing what U S WEST Communications pays for digital line carrier equipment, would allow them to attempt unfairly to negotiate comparable agreements with manufacturers and to undercut U S WEST Communications' costs and prices in the local market.

In addition, new entrants in the local markets [Competitive Local Exchange Carriers (CLECs)] would also find these contracts competitively valuable, because they would disclose some of U S WEST Communications' costs with which the CLECs could attempt unfairly to meet or undercut U S WEST Communications' costs and prices in the local market.

Making these contracts available for public inspection would unfairly disadvantage U S WEST Communications and its ratepayers by negating U S WEST Communications' ability to bargain with manufacturers and to obtain very favorable prices, terms and conditions.

The manufacturer also regards this contracts as very sensitive, proprietary and confidential. U S WEST Communications provided this manufacturer with written notice that it has received the Commission's data request and that it intended to respond with the understanding that U S WEST Communications would submit this request to the Commission designating the contracts as confidential and proprietary and requesting that they not be made available for public inspection.

CC Docket No. 96-45
DA 97-1433

U S WEST Communications, Inc.
Response to Data Request
Data Request No. 21
September 3, 1997

For these reasons, U S WEST Communications requests the Commission to designate the contract identified above as confidential information belonging to both U S WEST Communications and the digital line carrier manufacturer.

U S WEST Communications also requests the Commission to return the contracts identified above as soon as the Commission adopts a cost proxy model in FCC Docket No. 96-45, which the Commission anticipates will occur before the end of 1997.